

1962

REPORT

of the

President and Directors

of the

Atlanta and West Point
Rail Road Company

to the

Stockholders in Convention

for the

Year Ended December 31, 1962

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Year Ended December 31, 1962

Board of Directors

J. ARCH AVARY, JR., *Atlanta, Georgia*
WILLIAM N. BANKS, *Grantville, Georgia**
EDWARD G. COLE, JR., *Newnan, Georgia*
JOHN W. DENT, *Atlanta, Georgia*
WILLIAM H. KENDALL, *Louisville, Kentucky*
JOSEPH L. LANIER, *West Point, Georgia*
J. CLYDE MIXON, *Atlanta, Georgia*
W. THOMAS RICE, *Jacksonville, Florida*
SAMUEL R. YOUNG, *College Park, Georgia*

*Resigned November 6, 1962

Executive Committee

WILLIAM H. KENDALL
J. CLYDE MIXON
W. THOMAS RICE

The Staff

J. C. MIXON, *President and General Manager*
T. C. BULLARD, *Secretary and Treasurer*
HEYMAN, ABRAM, YOUNG, HICKS AND MALOOF, *General Counsel*
B. A. CULPEPPER, *Comptroller*
E. J. HALEY, *General Superintendent*
MARSHALL L. BOWIE, *Director of Personnel*
J. B. WILSON, *Chief Engineer*
J. B. PACE, *Purchasing Agent*
W. T. MARTIN, *Chief Traffic Officer*
A. P. MCELROY, *General Passenger Agent*
J. E. SAUCIER, *General Development and Real Estate Agent*

GENERAL OFFICES: 4 Hunter Street, S. E., Atlanta 3, Ga.

COMPARATIVE SUMMARY OF OPERATING AND CORPORATE RESULTS, AND FINANCIAL POSITION

| SOURCE OF INCOME | 1962 | 1961 | Increase or Decrease | |
|--|------------------|------------------|----------------------|----------------|
| | | | Amount | Percent |
| Income: | | | | |
| Freight..... | \$ 2,636,944 | \$ 2,720,426 | \$ —83,482 | —3.07 |
| Passenger..... | 257,876 | 247,665 | 10,211 | 4.12 |
| Mail, express and other operations..... | 442,917 | 489,150 | —46,233 | —9.45 |
| Rent from equipment and joint facilities..... | —320,940 | —282,005 | —38,935 | —13.81 |
| Dividends, interest, and miscellaneous income..... | 159,301 | 138,917 | 20,384 | 14.67 |
| TOTAL..... | 3,176,098 | 3,314,153 | —138,055 | —4.17 |
| CHARGES AGAINST INCOME | | | | |
| Railway tax accruals..... | 197,527 | 192,027 | 5,500 | 2.86 |
| Operating expenses: | | | | |
| Maintenance of way and structures..... | 449,873 | 406,862 | 43,011 | 10.57 |
| Maintenance of equipment..... | 571,610 | 574,270 | —2,660 | —0.46 |
| Traffic..... | 231,871 | 226,446 | 5,425 | 2.40 |
| Transportation..... | 1,505,375 | 1,519,164 | —13,789 | —0.91 |
| Miscellaneous operations..... | 40,298 | 41,174 | —876 | —2.13 |
| General..... | 219,939 | 216,359 | 3,580 | 1.65 |
| TOTAL..... | 3,018,966 | 2,984,275 | 34,691 | 1.16 |
| Other deductions from income: | | | | |
| Interest on debt..... | 29,109 | 34,095 | —4,986 | —14.62 |
| Taxes on nonoperating property..... | 9,389 | 9,718 | —329 | —3.39 |
| Miscellaneous..... | 2,080 | 14,514 | —12,434 | —85.67 |
| TOTAL..... | 40,578 | 58,327 | —17,749 | —30.43 |
| TOTAL CHARGES AGAINST INCOME..... | 3,257,071 | 3,234,629 | 22,442 | 0.69 |
| NET INCOME..... | —80,973 | 79,524 | —160,497 | —201.82 |
| Dividends to shareholders..... | 98,544 | 98,544 | | |
| Amount available for debt reduction, improvements, and other purposes..... | —179,517 | —19,020 | —160,497 | |
| Net income per share..... | —3.29 | 3.23 | —6.52 | —201.86 |
| Dividend payments per share..... | 4.00 | 4.00 | | |
| FINANCIAL POSITION | | | | |
| Total investments less recorded depreciation and amortization..... | \$ 6,208,662 | \$ 6,332,452 | \$ —123,790 | —1.95 |
| Current assets..... | 1,944,851 | 2,090,741 | —145,890 | —6.98 |
| Deferred and unadjusted assets..... | 319,763 | 302,057 | 17,706 | 5.86 |
| Capital stock..... | 2,463,600 | 2,463,600 | | |
| Long term debt—Total..... | 759,207 | 877,221 | —118,014 | —13.45 |
| Current liabilities..... | 610,367 | 528,619 | 81,748 | 15.46 |
| Deferred and unadjusted liabilities..... | 180,985 | 217,176 | —36,191 | —16.66 |
| Corporate surplus..... | 4,459,117 | 4,638,634 | —179,517 | —3.87 |

—Decrease.

TO THE STOCKHOLDERS:

The promising improvement in business during the late months of 1961 and the first quarter of 1962 gave away to what appeared to be a general lack of confidence in the economy and a slowing of business in our territory, particularly in highway construction, which continued below normal throughout the remainder of the year. At year-end there was some sign of a cautious outlook for improvement.

In the face of reverses, however, your company remains strong and in sound position to take full advantage of any quickening in the pulse of business.

This report contains a summary of operations in 1962 and statements of your company's financial condition at the end of the year.

EARNINGS

The net deficit after fixed charges for the year amounted to \$80,973, or \$3.29 a share. Operating revenues were at a lower point than at any time in recent history. Freight and express revenue were especially disappointing. Non-operating income remained at a satisfactory level but there was a further deterioration of the equipment rent account.

Earnings are not affected by income tax considerations. The accumulation of tax credits in prior years permitted no advantage, at this time, in the adoption of guideline depreciation schedules which were made available during the year.

DIVIDENDS

Accumulations of earnings from operations in prior years and the strong financial position of your company justified a continuance of dividends.

Stockholders received a dividend of \$2 a share as of August 1, 1962, and \$2 a share as of December 20, 1962.

OPERATING REVENUE

There was a decrease of \$119,895, or 3.4%, in operating revenues which, as will be observed in the table appearing on page 16 in 1962 reached the lowest point for receipts in many years. The several aspects of this situation are discussed at another point in the report. The operating ratio increased 4.7% but was held well in line with good practices and service requirements.

FREIGHT

Freight revenue decreased 3.1%. The number of tons handled decreased only 0.39% but the number of tons handled one mile increased 2.94%. The revenue for handling a ton one mile decreased 5.85%.

These figures bring into sharp focus the especially

critical problem of your company, and others like it, as they must lower prices and perform more service while wages, taxes and material prices increase in an unstable economy and against ever strengthening competition.

Again this year our tonnage increases were in agricultural products and basic commodities while finished materials and products of manufacture decreased.

Some interesting comparative statistics on tonnage, commodities and revenue appear on pages 17 and 18 of this report.

While the problems are great, they are receiving relentless and vigorous attention. Piggyback service, introduced last year, has been scheduled between Atlanta, the gulf ports and the Southwest. The number of cars handled increased 81.16% in 1962 and further expansions are being sought. The supply of specially designed equipment, service adaptation, selective rate adjustments, the provision of incentive rates, and close contact with developments in the territories we serve are some of the devices regularly used in meeting the continuing keen competition for business, along with special interest and helpfulness in the expansion and development of business potentials along our line and in areas which we serve.

These measures along with aggressive, vigorous and alert sales efforts may be relied upon to preserve our position in the area and take full advantage of improvements in the general economic situation and new developments in our territory.

PASSENGER, ALLIED AND MISCELLANEOUS

Passenger revenue increased 4.1% in 1962 compared to 1961 but this is due primarily to an interruption in our service because of flood conditions in 1961. Revenue from this source has remained at about the same level for the last four years with variations due largely to special circumstances in each comparative period. Over this period passengers handled, miles per passenger, revenue per passenger and other statistics have fluctuated within a narrow range indicating a situation of general stability although competing methods of transportation, largely subsidized, have reported increasing density of traffic and additional schedules.

The reported abandonment of 30-day round trip and family plan tickets at reduced rates has had no perceptible effect upon revenues.

The 10 per cent federal tax on rail travel charges was discontinued effective November 16, 1962, and this has reduced the cost of travel to passengers on your company's trains.

Mail revenue in 1962 increased 0.8%.

Express revenue decreased 29.9% in 1962, after a

reduction in 1961 of 20.2%. These reductions are the result of installation by the Railway Express Agency, over our vigorous protest, of competing service on the highway between Atlanta and Montgomery for local express shipments. The removal of this revenue from our passenger trains places a serious burden upon other allied passenger train services.

Miscellaneous and incidental revenues decreased 2.9% due largely to a decrease in switching service requirements in 1962.

OPERATING EXPENSES

Operating expenses in 1962 were closely controlled. The cost of roadway maintenance increased because of the use of new materials in 1962, principally cross ties, whereas used items from a retired portion of double track were available in 1961. An increase of 2.94% in the number of ton miles was handled at a lower transportation cost. Equipment maintenance costs decreased although it was necessary to sharply increase expenditures for maintenance of passenger cars due to deferrals in recent years.

While operating expenses increased 1.2%, wage and fringe benefit increases, the result of national settlements, exceeded our total increase in operating expenses although further increases in material costs also occurred.

The mechanization of roadway forces continued with the addition of a crane, a grading machine and implementing trucks.

The consolidation of train dispatching duties of Atlanta and West Point Railroad, The Western Railway of Alabama, and Georgia Railroad, as referred to in our report last year, became effective February 1, 1962. The transition occurred smoothly and substantial savings have been realized by all lines.

For several years limited installations of radio in yards and on main line trains have been a material aid to operations. Beginning late in 1962 a program for equipping all locomotives, cabooses, roadway work crews and yard offices with two-way radio and walkie-talkies was instituted and it will be completed in the first half of 1963. This supplementary communication system should be a material aid in expediting train and engine movements and in the safety of operations.

The suit brought against a trucking company to recover losses caused by a tractor-trailer type truck striking one of our trains on October 4, 1961, has not yet come to trial but action is now anticipated within the next few weeks.

RAILWAY TAX ACCRUALS

Railway tax accruals increased \$5,171, or 2.6%.

Railroad retirement tax increased, effective January 1, 1962, from 6¾% to 7¼% for both railroad and employee, and at the same time unemployment insurance tax, paid only by the railroad, increased from 3¾% to 4%.

Property tax continued to decline but sales and use tax increased because of the use of additional new material as reported elsewhere.

Changes in tax accruals are detailed in the tabulation on page 7 of this report.

EQUIPMENT RENTS

Balances in equipment rents continued an adverse effect during the year because of the high cost of private line car mileage, the use of special equipment at higher rental cost for some selected loading, and the withdrawal from service of some system cars in need of repairs.

Late in the year a freight car rehabilitation program was instituted and plans, since completed, were under way to purchase some special 70-ton box cars to take care of requirements for equipment of this class, which is expected to improve the car rent account and attract new business.

WAGE AND LABOR NEGOTIATIONS

Negotiations with the non-operating employees reported at the end of last year, were settled by national agreement in conformity with the recommendations of a Presidential Emergency Board. Wage increases totaling 10.28 cents an hour, and a rule providing for five working days' advance notice of force reductions were granted.

The Presidential Railroad Commission, investigating the work rules dispute involving operating employees, recommended the gradual elimination of firemen in freight and yard service, revision of the basis of pay to place more emphasis on time consumed than on miles run, and other rules changes, some of which are favorable to the employees and some favorable to the railroads. The recommendations, while not entirely acceptable, were supported by the carriers but rejected by the organizations. After negotiations and mediatory efforts had failed, and the organizations had declined arbitration, the carriers gave notice of their intention to effectuate the changes. The organizations then resorted to action in Federal Court at Chicago. The District Court ruled in favor of the carriers but issued an injunction barring the changes pending appeal. The United States Court of Appeals affirmed the District

Court's decision. Subsequent appeal was made to the Supreme Court of the United States.

Some further demands by trainmen and shopmen were pending at the year end.

CAPITAL EXPENDITURES

From 1946 through 1962, inclusive, expenditures of new money for additions and betterments to road and equipment amounted to \$5,702,386, which is 76.08% of the total investment at the close of 1945. At the end of 1962 all debt for such purposes amounted to \$759,207, a reduction during the year of \$118,014.

Other than the purchase of one major item of roadway maintenance machinery, the majority of our capital expenditures in 1962 were for the provision of lead tracks to serve industrial locations in the College Park area where we have provided some choice industrial sites and where substantial new industrial activity is anticipated.

1.73 miles of new 115-pound rail was laid in main line tracks replacing old rail of lighter section.

At year's end plans, since completed, were in progress for an addition of some 70-ton, cushioned under-frame, box cars to our equipment fleet. These cars will enable us to meet existing needs and attract new business to which such equipment is especially adapted.

INDUSTRIAL DEVELOPMENT

Although there was some slackening in the pace of industrial construction in our area during 1962, interest in industrial locations continued high and a general feeling of optimism seems to underlie a present expectation of accelerating growth.

An eastern real estate investment trust has acquired a large acreage adjoining our industrial park near College Park and is now grading and offering sites with plants or warehouses to be constructed to the customer's specifications.

The new plant of Ohio Grease Company is nearing completion and initial work is in progress for the construction of a large warehouse by the St. Joe Paper Company in our College Park area.

All development prospects are being given close attention and access tracks are being installed as they are needed.

Fifteen new businesses, some of which will be large shippers, were established on your line during 1962.

Three other substantial plants expanded their facilities. The large expansion of American Can Company, Marathon Division plant at Newnan, started late last year, was completed and placed in operation in 1962.

Continuing interest in sites on our line, the excellent growth already in evidence, and the improved economic outlook throughout the territory are all reasons for an optimistic view of the future.

DIRECTORS

On November 6, 1962, Mr. William N. Banks, Grantville, Ga., President, Habersham Mills, resigned from the membership of the board of directors upon the advice of his physician. His resignation was regretfully accepted and the board, by formal resolution, expressed their deep appreciation for his wise counsel and warm friendship during the twelve years he had served with them.

GENERAL

Your company will enter the year 1963 in an excellent financial condition and in position to take full advantage of what appears to be a more favorable economic outlook.

In other years we have mentioned the urgent need for legislation which would place railroads in a position of equality with other forms of competing transportation. President John F. Kennedy expressed a strong indictment of the inequities now suffered by the railroads in a special message to Congress in April 1962. This year he has again called for the relief which is long past due. The railroads should be free to meet competition wherever and in whatever form it exists.

Stockholders who inform themselves of the facts and make their views known to legislators and others can be most helpful to the industry, to the nation and to their own investments. With your interest and help we can anticipate that there may be some action by the Congress in 1963.

Your company can look forward to the unfolding of a new year with a spirit of strength and real confidence.

We again express grateful appreciation for the support of our stockholders and our patrons, and for the faithful and capable efforts of our officers and employees.

By order of the Board of Directors,

J. CLYDE MIXON

President and General Manager

MILEAGE OPERATED

Miles of road operated at December 31, 1962:

MAIN LINE:

| | | | |
|--|-------|-------|-------|
| Atlanta to West Point..... | 85.72 | | |
| Less—Leased to Atlanta Terminal Company..... | 0.10 | 85.62 | |
| Hulsey Junction to Oakland City..... | | 5.16 | 90.78 |

TRACKAGE RIGHTS:

| | | | |
|---|------|--|-------|
| Atlanta Terminal Company, Atlanta..... | 0.46 | | |
| Central of Georgia Railway, Oakland Junction..... | 0.05 | | |
| Georgia Railroad (Atlanta Joint Terminals)..... | 2.02 | | 2.53 |
| Total mileage operated..... | | | 93.31 |

Total mileage operated in freight and passenger service was 90.44 and 86.08 miles, respectively.

TAXES

The following items were accrued:

| | | | Increase —Decrease | |
|-------------------------------------|------------|------------|-----------------------|----------|
| | 1962 | 1961 | Amount | Per Cent |
| UNITED STATES GOVERNMENT TAXES: | | | | |
| Railroad Retirement..... | \$ 77,739 | \$ 69,221 | \$ 8,518 | 12.31 |
| Unemployment Insurance..... | 42,891 | 39,272 | 3,619 | 9.22 |
| Other..... | 1,129 | 1,041 | 88 | 8.45 |
| Total..... | 121,759 | 109,534 | 12,225 | 11.16 |
| STATE AND LOCAL TAXES: | | | | |
| Property..... | 57,973 | 67,336 | —9,363 | —13.90 |
| Sales and use..... | 14,766 | 11,809 | 2,957 | 25.04 |
| Other..... | 3,029 | 3,348 | —319 | —9.53 |
| Total..... | 75,768 | 82,493 | —6,725 | —8.15 |
| Total..... | 197,527 | 192,027 | 5,500 | 2.86 |
| Taxes on nonoperating property..... | 9,389 | 9,718 | —329 | —3.39 |
| Grand Total..... | \$ 206,916 | \$ 201,745 | \$ 5,171 | 2.56 |

—Decrease

We announce with deep regret the passing of the following:

A. T. MILLER, Retired General Superintendent,
died at Richardson, Texas, June 5, 1962

H. E. PERKINS, Retired Staff Assistant to General Superintendent,
died at Memphis, Tenn., July 23, 1962

HASKINS & SELLS

ACCOUNTANTS

ATLANTA

ACCOUNTANTS' OPINION

Atlanta and West Point Rail Road Company:

We have examined the balance sheet of Atlanta and West Point Rail Road Company as of December 31, 1962 and the related statements of income and of retained income for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The Company maintains its accounts in conformity with the Uniform System of Accounts for Railroad Companies prescribed by the Interstate Commerce Commission and the accompanying financial statements have been prepared in accordance therewith. As explained in Note 1, the provisions of such system vary in certain respects from generally accepted accounting principles.

In our opinion, with the exception referred to in the preceding paragraph, the accompanying financial statements present fairly the financial position of the Company at December 31, 1962 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Haskins & Sells

April 5, 1963

BALANCE SHEET

ASSETS

| | December 31 | |
|---|------------------------|------------------------|
| | 1962 | 1961 |
| CURRENT ASSETS: | | |
| Cash..... | \$ 184,304.77 | \$ 353,095.36 |
| Temporary cash investments..... | 1,182,663.19 | 1,175,286.40 |
| Net balance receivable from agents and conductors..... | 68,674.98 | 64,624.13 |
| Miscellaneous accounts receivable..... | 90,279.80 | 66,673.34 |
| Accrued accounts receivable..... | 66,179.04 | 42,262.18 |
| Material and supplies..... | 333,237.15 | 374,187.76 |
| Prepayments and other current assets..... | 19,512.32 | 14,611.81 |
| Total..... | 1,944,851.25 | 2,090,740.98 |
| SPECIAL FUNDS: | | |
| Insurance and other funds..... | 1,933.45 | 2,033.42 |
| INVESTMENTS: | | |
| Investments in affiliated companies..... | 231,764.28 | 232,438.40 |
| Other..... | 244.67 | 4,863.37 |
| Total..... | 232,008.95 | 237,301.77 |
| PROPERTIES: | | |
| Transportation— | | |
| Road and Equipment..... | 10,500,761.90 | 10,393,748.82 |
| Less accrued depreciation and amortization..... | 4,704,985.09 | 4,490,257.75 |
| Total transportation property, less recorded depreciation and amortization..... | 5,795,776.81 | 5,903,491.07 |
| Miscellaneous..... | 351,856.33 | 361,195.56 |
| Less accrued depreciation..... | 170,980.09 | 169,536.35 |
| Total miscellaneous property..... | 180,876.24 | 191,659.21 |
| Total properties, less recorded depreciation and amortization..... | 5,976,653.05 | 6,095,150.28 |
| OTHER ASSETS AND DEFERRED CHARGES: | | |
| Other assets..... | 12,415.63 | 12,746.71 |
| Deferred charges..... | 305,413.60 | 287,276.38 |
| Total..... | 317,829.23 | 300,023.09 |
| TOTAL | \$ 8,473,275.93 | \$ 8,725,249.54 |

BALANCE SHEET
LIABILITIES AND SHAREHOLDERS' EQUITY

| | December 31 | |
|---|------------------------|------------------------|
| | 1962 | 1961 |
| CURRENT LIABILITIES: | | |
| Traffic and car service balances—net..... | \$ 316,024.89 | \$ 200,507.75 |
| Audited accounts payable..... | 102,782.62 | 135,329.23 |
| Miscellaneous accounts payable..... | 129.15 | 2,535.39 |
| Unmatured interest accrued..... | 401.29 | 482.41 |
| Accrued accounts payable..... | 189,949.12 | 188,695.62 |
| Taxes accrued..... | 1,080.13 | 1,068.13 |
| Total (exclusive of long-term debt due within one year)..... | 610,367.20 | 528,618.53 |
| LONG-TERM DEBT DUE WITHIN ONE YEAR: | | |
| Equipment obligations..... | 118,013.92 | 118,013.92 |
| LONG-TERM DEBT: | | |
| Equipment obligations..... | 641,193.25 | 759,207.17 |
| RESERVE: | | |
| Insurance..... | 126,347.69 | 125,735.75 |
| OTHER LIABILITIES AND DEFERRED CREDITS: | | |
| Other liabilities..... | 7,558.89 | 8,060.41 |
| Deferred credits..... | 47,077.94 | 83,379.77 |
| Total..... | 54,636.83 | 91,440.18 |
| SHAREHOLDERS' EQUITY: | | |
| Capital stock—Authorized, 25,000 shares of \$100 par value each; outstanding, 24,636 shares..... | 2,463,600.00 | 2,463,600.00 |
| Retained income..... | 4,459,117.04 | 4,638,633.99 |
| Total..... | 6,922,717.04 | 7,102,233.99 |
| TOTAL..... | \$ 8,473,275.93 | \$ 8,725,249.54 |

See accompanying Notes to Financial Statements.

STATEMENT OF INCOME

| OPERATING INCOME: | 1962 | 1961 | Increase or Decrease |
|--|-----------------|-----------------|----------------------|
| Railway Operating Income: | | | |
| Railway operating revenues..... | \$ 3,414,230.72 | \$ 3,534,125.69 | \$ -119,894.97 |
| Railway operating expenses..... | 3,018,966.02 | 2,984,274.65 | 34,691.37 |
| Net revenue from railway operations..... | 395,264.70 | 549,851.04 | -154,586.34 |
| Railway tax accruals..... | 197,526.74 | 192,027.02 | 5,499.72 |
| Railway operating income..... | 197,737.96 | 357,824.02 | -160,086.06 |
| Rent Income: | | | |
| Rent from locomotives..... | 6,103.15 | 14,275.11 | -8,171.96 |
| Rent from passenger-train cars..... | 68,236.87 | 74,573.24 | -6,336.37 |
| Rent from work equipment..... | 4,217.90 | 3,742.78 | 475.12 |
| Joint facility rent income..... | 15,580.35 | 13,518.09 | 2,062.26 |
| Total rent income..... | 94,138.27 | 106,109.22 | -11,970.95 |
| Rent Payable: | | | |
| Hire of freight cars..... | 151,800.81 | 126,924.03 | 24,876.78 |
| Rent for locomotives..... | 15,273.39 | 16,752.44 | -1,479.05 |
| Rent for passenger-train cars..... | 63,538.22 | 62,117.18 | 1,421.04 |
| Rent for work equipment..... | 2,633.68 | 2,392.09 | 241.59 |
| Joint facility rents..... | 258,326.60 | 256,812.90 | 1,513.70 |
| Total rent payable..... | 491,572.70 | 464,998.64 | 26,574.06 |
| Net rent payable..... | 397,434.43 | 358,889.42 | 38,545.03 |
| Net railway operating income..... | -199,696.47 | -1,065.40 | -198,631.07 |
| OTHER INCOME: | | | |
| Miscellaneous rents..... | 34,104.20 | 37,714.38 | -3,610.18 |
| Income from nonoperating property..... | 30,142.36 | 19,197.35 | 10,945.01 |
| Dividends..... | 2,585.00 | 3,170.00 | -585.00 |
| Interest..... | 41,841.00 | 34,795.28 | 7,045.72 |
| Miscellaneous, property sales, etc..... | 50,628.77 | 44,039.49 | 6,589.28 |
| Total other income..... | 159,301.33 | 138,916.50 | 20,384.83 |
| Total income..... | -40,395.14 | 137,851.10 | -178,246.24 |
| MISCELLANEOUS DEDUCTIONS FROM INCOME: | | | |
| Rents..... | 1,161.10 | 1,471.11 | -310.01 |
| Tax accruals..... | 9,388.48 | 9,717.51 | -329.03 |
| Income charges..... | 919.62 | 13,043.29 | -12,123.67 |
| Total miscellaneous deductions..... | 11,469.20 | 24,231.91 | -12,762.71 |
| Income available for fixed charges..... | -51,864.34 | 113,619.19 | -165,483.53 |
| FIXED CHARGES: | | | |
| Interest on funded debt..... | 29,108.61 | 34,095.33 | -4,986.72 |
| NET INCOME | \$ -80,972.95 | \$ 79,523.86 | \$ -160,496.81 |

—Decrease

See Note 1 in the accompanying Notes to Financial Statements.

STATEMENT OF RETAINED INCOME

CREDITS

Retained income, January 1, 1962..... \$ 4,638,633.99

DEBITS

Net loss for the year \$ 80,972.95

Dividends to shareholders:

\$2 a share paid August 1, 1962..... \$ 49,272.00

\$2 a share paid December 20, 1962..... 49,272.00 98,544.00 179,516.95

Retained income, December 31, 1962..... \$ 4,459,117.04

NOTES TO FINANCIAL STATEMENTS

1. The provisions of the Uniform System of Accounts for Railroad Companies prescribed by the Interstate Commerce Commission vary from generally accepted accounting principles in that, under the Uniform System, no accounting recognition is given to the possible effect on income taxes in future years of prior years' reductions in income taxes resulting from the deductions (net) for amortization and depreciation of property for income tax purposes in excess of the amounts recorded in the accounts. The cumulative amount of such reductions in income taxes included in retained income at December 31, 1962 was \$472,000. In 1962 and 1961 the amortization was less than recorded depreciation, but this had no effect on income taxes because of a tax loss in both years.
2. The Company, together with Southern Railway Company and Central of Georgia Railway Company, jointly and severally guarantees unconditionally the payment of principal and interest of the first mortgage series A, 4% bonds of Atlanta Terminal Company due August 1, 1969, of which \$582,000 were outstanding at December 31, 1962.
3. Capital surplus of \$21,703 arising from retirements of donated property was reclassified as of January 1, 1962 to retained income, as authorized by the Interstate Commerce Commission.

OPERATING EXPENSES

| ACCOUNT | 1962 | 1961 | Increase or Decrease |
|--|---------------|---------------|----------------------|
| Maintenance of Way and Structures: | | | |
| 201 Superintendence..... | \$ 34,731.88 | \$ 36,395.68 | \$ -1,663.80 |
| 202 Roadway maintenance..... | 26,254.08 | 17,735.85 | 8,518.23 |
| 208 Bridges, trestles and culverts..... | 1,018.99 | 1,039.80 | -20.81 |
| 212 Ties..... | 39,333.42 | 5,475.38 | 33,858.04 |
| 214 Rails..... | 5,233.80 | 3,417.51 | 1,816.29 |
| 216 Other track material..... | 7,487.62 | 12,626.61 | -5,138.99 |
| 218 Ballast..... | 14,193.19 | 7,871.79 | 6,321.40 |
| 220 Track laying and surfacing..... | 63,744.00 | 56,974.39 | 6,769.61 |
| 221 Fences, snowsheds, and signs..... | 922.44 | 534.89 | 387.55 |
| 227 Station and office buildings..... | 3,135.81 | 4,545.12 | -1,409.31 |
| 229 Roadway buildings..... | 484.33 | 272.68 | 211.65 |
| 235 Shops and enginehouses..... | 3.38 | 1.42 | 1.96 |
| 247 Communication systems..... | 9,066.74 | 9,004.98 | 61.76 |
| 249 Signals and interlockers..... | 23,726.64 | 23,181.93 | 544.71 |
| 265 Miscellaneous structures..... | | 283.94 | -283.94 |
| 266 Road property—Depreciation: | | | |
| Engineering..... | 1,090.48 | 1,099.32 | -8.84 |
| Grading..... | 411.48 | 411.48 | |
| Tunnels and subways..... | 395.04 | 395.04 | |
| Bridges, trestles and culverts..... | 10,676.90 | 10,638.72 | 38.18 |
| Rails..... | 38,809.44 | 41,037.28 | -2,227.84 |
| Other track material..... | 24,769.92 | 25,758.26 | -988.34 |
| Fences, snowsheds and signs..... | 519.36 | 519.36 | |
| Station and office buildings..... | 6,668.88 | 6,831.96 | -163.08 |
| Roadway buildings..... | | 132.96 | -132.96 |
| Fuel stations..... | 134.04 | 134.04 | |
| Shops and enginehouses..... | -5.00 | 76.32 | -81.32 |
| Communication systems..... | 1,374.00 | 1,374.00 | |
| Signals and interlockers..... | 4,481.23 | 4,434.64 | 46.59 |
| Roadway machines..... | 4,987.08 | 4,987.08 | |
| Public improvements—Construction..... | 3,103.43 | 2,934.36 | 169.07 |
| 267 Retirements—Road..... | 3,710.67 | 174.95 | 3,535.72 |
| 269 Roadway machines..... | 16,171.25 | 18,814.04 | -2,642.79 |
| 270 Dismantling retired road property..... | 647.25 | 1,191.41 | -544.16 |
| 271 Small tools and supplies..... | 5,915.07 | 6,763.44 | -848.37 |
| 272 Removing snow, ice and sand..... | 22.72 | 184.38 | -161.66 |
| 273 Public improvements—Maintenance..... | 7,706.13 | 3,835.26 | 3,870.87 |
| 274 Injuries to persons..... | 1,946.78 | 3,962.26 | -2,015.48 |
| 275 Insurance..... | 276.85 | 45.15 | 231.70 |
| 276 Stationery and printing..... | 527.32 | 420.08 | 107.24 |
| 277 Employees health and welfare benefits..... | 6,497.40 | 8,806.20 | -2,308.80 |
| 278 Maintaining joint tracks, yards and other facilities—Debit..... | 84,389.17 | 87,967.88 | -3,578.71 |
| 279 Maintaining joint tracks, yards and other facilities—Credit..... | -4,689.78 | -5,429.62 | 739.84 |
| Total..... | 449,873.43 | 406,862.22 | 43,011.21 |
| Maintenance of Equipment: | | | |
| 301 Superintendence..... | 18,378.88 | 18,462.43 | -83.55 |
| 311 Other locomotives—Repairs..... | 117,601.68 | 125,766.36 | -8,164.68 |
| 314 Freight train cars—Repairs..... | 147,291.74 | 158,767.77 | -11,476.03 |
| 317 Passenger train cars—Repairs..... | 76,659.82 | 63,311.85 | 13,347.97 |
| 326 Work equipment—Repairs..... | 4,414.47 | 3,350.43 | 1,064.04 |
| 328 Miscellaneous equipment—Repairs..... | 3,239.93 | 2,484.56 | 755.37 |
| 331 Equipment—Depreciation..... | 168,074.43 | 172,190.19 | -4,115.76 |
| 332 Injuries to persons..... | 2,284.89 | 1,450.25 | 834.64 |
| 333 Insurance..... | 1,862.75 | 1,774.94 | 87.81 |
| 334 Stationery and printing..... | 859.87 | 727.74 | 132.13 |
| 335 Employees health and welfare benefits..... | 14,554.67 | 12,209.87 | 2,344.80 |
| 336 Joint maintenance of equipment expenses—Debit..... | 16,386.72 | 13,772.89 | 2,613.83 |
| Total..... | \$ 571,609.85 | \$ 574,269.28 | \$ -2,659.43 |

—Decrease

OPERATING EXPENSES

| ACCOUNT | 1962 | 1961 | Increase or Decrease |
|---|-----------------|-----------------|----------------------|
| Traffic: | | | |
| 351 Superintendence..... | \$ 55,295.60 | \$ 53,773.29 | \$ 1,522.31 |
| 352 Outside agencies..... | 142,109.28 | 139,154.22 | 2,955.06 |
| 353 Advertising..... | 1,791.54 | 1,860.56 | -69.02 |
| 354 Traffic associations..... | 3,900.42 | 4,481.57 | -581.15 |
| 356 Industrial and immigration bureaus..... | 7,175.88 | 7,126.33 | 49.55 |
| 357 Insurance..... | 76.01 | 78.64 | -2.63 |
| 358 Stationery and printing..... | 13,228.27 | 12,361.88 | 866.39 |
| 359 Employees health and welfare benefits..... | 8,294.30 | 7,610.07 | 684.23 |
| Total..... | 231,871.30 | 226,446.56 | 5,424.74 |
| Transportation—Rail Line: | | | |
| 371 Superintendence..... | 22,414.93 | 21,749.10 | 665.83 |
| 372 Dispatching trains..... | 14,563.70 | 16,763.57 | -2,199.87 |
| 373 Station employees..... | 158,619.84 | 144,941.09 | 13,678.75 |
| 374 Weighing, inspection and demurrage bureaus..... | 8,411.53 | 9,162.27 | -750.74 |
| 376 Station supplies and expenses..... | 6,983.13 | 6,575.64 | 407.49 |
| 378 Yard conductors and brakemen..... | 43,992.25 | 36,244.47 | 7,747.78 |
| 380 Yard enginemen..... | 29,523.13 | 25,168.26 | 4,354.87 |
| 382 Yard switching fuel..... | 5,156.60 | 3,269.59 | 1,887.01 |
| 386 Lubricants for yard locomotives..... | | 50.30 | -50.30 |
| 387 Other supplies for yard locomotives..... | 318.88 | 330.89 | -12.01 |
| 389 Yard supplies and expenses..... | 7.98 | 29.46 | -21.48 |
| 390 Operating joint yards and terminals—Debit..... | 537,375.74 | 568,750.37 | -31,374.63 |
| 391 Operating joint yards and terminals—Credit..... | -75,257.25 | -45,207.01 | -30,050.24 |
| 392 Train enginemen..... | 155,116.66 | 160,500.70 | -5,384.04 |
| 394 Train fuel..... | 134,153.85 | 139,673.84 | -5,519.99 |
| 397 Water for train locomotives..... | 879.27 | 852.60 | 26.67 |
| 398 Lubricants for train locomotives..... | 10,908.15 | 10,093.49 | 814.66 |
| 399 Other supplies for train locomotives..... | 2,172.66 | 1,963.29 | 209.37 |
| 400 Enginehouse expenses—Train..... | 52,715.96 | 53,239.33 | -523.37 |
| 401 Trainmen..... | 198,789.86 | 199,675.16 | -885.30 |
| 402 Train supplies and expenses..... | 47,141.63 | 52,318.94 | -5,177.31 |
| 403 Operating sleeping cars..... | 34,495.69 | 28,057.62 | 6,438.07 |
| 404 Signal and interlocker operation..... | 11,485.49 | 9,864.42 | 1,621.07 |
| 405 Crossing protection..... | 374.70 | 879.43 | -504.73 |
| 407 Communication system operation..... | 5,056.90 | 5,100.31 | -43.41 |
| 409 Employees health and welfare benefits..... | 9,938.47 | 9,957.44 | -18.97 |
| 410 Stationery and printing..... | 5,054.46 | 5,420.70 | -366.24 |
| 411 Other expenses..... | 653.61 | 626.14 | 27.47 |
| 412 Operating joint tracks and facilities—Debit..... | 18,092.67 | 19,798.48 | -1,705.81 |
| 413 Operating joint tracks and facilities—Credit..... | -7,576.33 | -7,369.57 | -206.76 |
| 414 Insurance..... | 8,928.60 | 7,606.52 | 1,322.08 |
| 415 Clearing wrecks..... | 5,158.93 | -659.03 | 5,817.96 |
| 416 Damage to property..... | 8,778.22 | 2,371.26 | 6,406.96 |
| 418 Loss and damage—Freight..... | 20,507.26 | 19,071.49 | 1,435.77 |
| 419 Loss and damage—Baggage..... | 61.43 | 24.27 | 37.16 |
| 420 Injuries to persons..... | 30,376.11 | 12,269.19 | 18,106.92 |
| Total..... | 1,505,374.71 | 1,519,164.02 | -13,789.31 |
| Miscellaneous Operations: | | | |
| 441 Dining and buffet service..... | 38,831.48 | 41,173.42 | -2,341.94 |
| 449 Employees health and welfare benefits..... | 1,466.11 | | 1,466.11 |
| Total..... | 40,297.59 | 41,173.42 | -875.83 |
| General: | | | |
| 451 Salaries and expenses of general officers..... | 36,410.98 | 34,389.64 | 2,021.34 |
| 452 Salaries and expenses of clerks and attendants..... | 117,978.57 | 117,487.41 | 491.16 |
| 453 General office supplies and expenses..... | 11,482.79 | 11,171.39 | 311.40 |
| 454 Law expenses..... | 16,674.87 | 16,137.83 | 537.04 |
| 455 Insurance..... | 2,135.43 | 3,820.07 | -1,684.64 |
| 456 Employees health and welfare benefits..... | 6,537.09 | 4,239.40 | 2,297.69 |
| 457 Pensions..... | 5,017.30 | 4,962.74 | 54.56 |
| 458 Stationery and printing..... | 6,989.21 | 6,068.64 | 920.57 |
| 460 Other expenses..... | 3,961.30 | 3,678.08 | 283.22 |
| 461 General joint facilities—Debit..... | 12,751.60 | 14,403.95 | -1,652.35 |
| Total..... | 219,939.14 | 216,359.15 | 3,579.99 |
| Total railway operating expenses..... | \$ 3,018,966.02 | \$ 2,984,274.65 | \$ 34,691.37 |
| Ratio of operating expenses to operating revenues..... | 88.42 | 84.44 | 3.98 |

—Decrease

RAILWAY OPERATING REVENUES

| YEAR ENDED DECEMBER 31 | Freight | Passenger | Mail | Express | All Other Transpor- tation | Incidental | Joint Facility- Credit | Joint Facility- Debit | Total Railway Operating Revenues |
|---------------------------|----------------|---------------|---------------|---------------|----------------------------------|---------------|------------------------------|-----------------------------|---|
| 1953 | \$3,346,534.16 | \$ 474,791.89 | \$ 306,610.09 | \$ 114,700.23 | \$ 87,867.56 | \$ 114,132.43 | \$ 63,811.32 | \$ 157.54 | \$4,508,290.14 |
| 1954 | 2,860,359.99 | 412,063.17 | 253,152.81 | 130,254.01 | 80,948.13 | 96,418.72 | 58,553.64 | 160.23 | 3,891,590.24 |
| 1955 | 2,584,637.18 | 331,909.74 | 183,843.37 | 199,096.26 | 101,482.78 | 95,215.22 | 67,049.00 | 160.17 | 3,563,073.38 |
| 1956 | 3,001,663.72 | 364,751.65 | 208,691.30 | 195,818.83 | 73,892.28 | 95,717.03 | 131,763.43 | 289.86 | 4,072,008.38 |
| 1957 | 2,818,767.31 | 341,992.42 | 228,678.35 | 165,689.09 | 72,444.67 | 86,359.63 | 105,428.44 | 97.56 | 3,819,262.35 |
| 1958 | 2,718,845.76 | 286,998.28 | 241,616.42 | 162,880.15 | 74,546.85 | 75,120.84 | 98,352.37 | 98.36 | 3,658,262.31 |
| 1959 | 2,878,895.10 | 260,690.17 | 222,552.02 | 211,151.19 | 71,607.23 | 78,827.36 | 91,168.70 | 131.84 | 3,814,759.93 |
| 1960 | 2,792,647.11 | 262,142.70 | 203,783.66 | 179,453.23 | 67,308.09 | 88,203.03 | 78,209.72 | 104.18 | 3,671,643.36 |
| 1961 | 2,720,426.20 | 247,665.21 | 229,351.50 | 143,168.38 | 39,397.04 | 77,232.92 | 77,011.46 | 127.02 | 3,534,125.69 |
| 1962 | 2,636,943.56 | 257,875.55 | 231,136.49 | 100,390.20 | 30,637.39 | 80,753.16 | 76,620.56 | 126.19 | 3,414,230.72 |

RAILWAY OPERATING EXPENSES AND NET REVENUE FROM RAILWAY OPERATIONS

| YEAR ENDED DECEMBER 31 | Mainte- nance of Way and Structures | Mainte- nance of Equipment | Traffic | Transpor- tation | Miscel- laneous | General | Total Railway Operating Expenses | Net Revenue From Railway Operations | Ratio Operating Expenses to Operating Revenues |
|---------------------------|--|----------------------------------|---------------|---------------------|--------------------|---------------|---|--|--|
| 1953 | \$ 692,467.38 | \$ 765,262.19 | \$ 190,626.51 | \$1,819,125.14 | \$ 70,208.99 | \$ 211,582.96 | \$3,749,273.17 | \$ 759,016.97 | 83.16 |
| 1954 | 533,633.77 | 659,262.86 | 180,423.33 | 1,673,546.16 | 59,692.25 | 195,945.21 | 3,302,503.58 | 589,086.66 | 84.86 |
| 1955 | 480,279.06 | 639,213.05 | 180,121.10 | 1,469,732.92 | 48,164.30 | 179,819.54 | 3,047,329.97 | 515,743.41 | 85.53 |
| 1956 | 555,446.05 | 784,112.47 | 205,817.79 | 1,767,205.16 | 56,796.23 | 213,973.36 | 3,583,351.06 | 488,657.32 | 88.00 |
| 1957 | 517,372.51 | 727,617.46 | 209,546.83 | 1,779,147.73 | 40,711.20 | 216,271.22 | 3,490,666.95 | 328,595.40 | 91.40 |
| 1958 | 444,763.18 | 620,883.96 | 203,234.04 | 1,751,067.41 | 37,237.98 | 217,418.78 | 3,274,605.35 | 383,656.96 | 89.51 |
| 1959 | 504,720.90 | 625,446.24 | 215,700.16 | 1,608,153.81 | 40,835.95 | 217,748.54 | 3,212,605.60 | 602,154.33 | 84.22 |
| 1960 | 475,714.42 | 594,053.50 | 218,400.72 | 1,559,452.04 | 40,066.95 | 228,566.47 | 3,116,254.10 | 555,389.26 | 84.87 |
| 1961 | 406,862.22 | 574,269.28 | 226,446.56 | 1,519,164.02 | 41,173.42 | 216,359.15 | 2,984,274.65 | 549,851.04 | 84.44 |
| 1962 | 449,873.43 | 571,609.85 | 231,871.30 | 1,505,374.71 | 40,297.59 | 219,939.14 | 3,018,966.02 | 395,264.70 | 88.42 |

CLASSIFICATION OF FREIGHT TRAFFIC

| COMMODITY | | 1962 | | 1961 | | Increase or Decrease Tons |
|-----------------------------------|--|------------------------------|-------------------------|------------------------------|-------------------------|------------------------------------|
| | | No. of Tons 2,000 lbs. | P/C to Total Tons | No. of Tons 2,000 lbs. | P/C to Total Tons | |
| Products of Agriculture | Grain and products, hay, tobacco | 27,219 | 1.10 | 34,377 | 1.38 | -7,158 |
| | Cotton in bales | 154,845 | 6.25 | 147,874 | 5.94 | 6,971 |
| | Linters, cottonseed, and products | 40,673 | 1.64 | 37,698 | 1.52 | 2,975 |
| | Fruits, fresh, and melons | 5,723 | 0.23 | 5,917 | 0.24 | -194 |
| | Fruits, dried and frozen | 1,001 | 0.04 | 599 | 0.02 | 402 |
| | Coffee | 2,100 | 0.09 | 2,000 | 0.08 | 100 |
| | Cabbage, celery, lettuce, onions | 3,289 | 0.13 | 2,963 | 0.12 | 326 |
| | Potatoes, other than sweet | 9,960 | 0.40 | 6,949 | 0.28 | 3,011 |
| | Tomatoes, vegetables, fresh | 1,734 | 0.07 | 1,681 | 0.07 | 53 |
| | Vegetables, dried and frozen | 1,104 | 0.04 | 2,088 | 0.08 | -984 |
| | Peanuts | 4,334 | 0.18 | 1,643 | 0.07 | 2,691 |
| | Other products of agriculture | 1,812 | 0.07 | 1,622 | 0.07 | 190 |
| | Total | 253,794 | 10.24 | 245,411 | 9.87 | 8,383 |
| Animals and Products | Meat, margarine, poultry and eggs | 3,569 | 0.14 | 4,836 | 0.20 | -1,267 |
| | Butter, cheese, dairy products | 5,927 | 0.24 | 3,790 | 0.15 | 2,137 |
| | Wool and mohair | 1,268 | 0.05 | 874 | 0.04 | 394 |
| | Hides and other products of animals | 873 | 0.04 | 841 | 0.03 | 32 |
| | Total | 11,637 | 0.47 | 10,341 | 0.42 | 1,296 |
| Products of Mines | Coal and coke | 37,991 | 1.53 | 30,698 | 1.23 | 7,293 |
| | Ores, iron, copper, lead, barytes | 174,369 | 7.04 | 104,135 | 4.19 | 70,234 |
| | Clay, sand and gravel | 213,785 | 8.63 | 213,947 | 8.60 | -162 |
| | Stone and rock | 251,350 | 10.14 | 300,931 | 12.10 | -49,581 |
| | Petroleum, crude | 12 | | | | 12 |
| | Asphalt | 14,300 | 0.58 | 15,246 | 0.61 | -946 |
| | Salt | 10,599 | 0.43 | 11,792 | 0.47 | -1,193 |
| | Phosphate rock | 4,987 | 0.20 | 5,176 | 0.21 | -189 |
| | Sulphur | 13,837 | 0.56 | 9,857 | 0.40 | 3,980 |
| | Products of mines, N. O. S. | 51,045 | 2.06 | 39,913 | 1.61 | 11,132 |
| | Total | 772,275 | 31.17 | 731,695 | 29.42 | 40,580 |
| Products of Forests | Logs, posts, poles, wood fuel | 5,886 | 0.24 | 4,217 | 0.17 | 1,669 |
| | Ties, railroad | 908 | 0.04 | 106 | | 802 |
| | Pulpwood | 29,357 | 1.18 | 67,631 | 2.72 | -38,274 |
| | Lumber, shingles and lath | 69,500 | 2.81 | 66,561 | 2.68 | 2,939 |
| | Cooperage material, veneer, plywood | 31,825 | 1.28 | 21,240 | 0.85 | 10,585 |
| | Rosin and turpentine | 481 | 0.02 | 310 | 0.01 | 171 |
| | Products of forests, N. O. S. | 1,093 | 0.04 | 2,208 | 0.09 | -1,115 |
| | Total | 139,050 | 5.61 | 162,273 | 6.52 | -23,223 |
| Manufactures and Miscellaneous | Gasoline, petroleum and gases | 115,602 | 4.66 | 127,018 | 5.11 | -11,416 |
| | Oils, cottonseed, vegetable, etc. | 47,710 | 1.92 | 48,005 | 1.93 | -295 |
| | Rubber, rubber goods, chemicals | 41,477 | 1.67 | 41,385 | 1.66 | 92 |
| | Sulphuric acid | 48,334 | 1.95 | 58,444 | 2.35 | -10,110 |
| | Acids, sodium, alcohol | 111,635 | 4.51 | 117,517 | 4.73 | -5,882 |
| | Fertilizers, N. O. S. | 107,214 | 4.33 | 97,127 | 3.90 | 10,087 |
| | Tar, paint, drugs, toilet articles | 18,110 | 0.73 | 33,689 | 1.36 | -15,579 |
| | Iron, pig, bar, nails, pipe, tanks | 75,370 | 3.04 | 70,792 | 2.85 | 4,578 |
| | Agricultural implements, machinery | 5,218 | 0.21 | 8,717 | 0.35 | -3,499 |
| | Vehicles, automobiles, airplanes | 11,129 | 0.45 | 13,660 | 0.55 | -2,531 |
| | Cement | 93,311 | 3.77 | 115,263 | 4.63 | -21,952 |
| | Brick, artificial stone | 34,698 | 1.40 | 32,348 | 1.30 | 2,350 |
| | Lime, plaster | 4,499 | 0.18 | 3,062 | 0.12 | 1,437 |
| | Woodpulp, rags, paper, pulpboard | 259,057 | 10.46 | 264,709 | 10.64 | -5,652 |
| | Building material | 27,516 | 1.11 | 19,966 | 0.80 | 7,550 |
| | Glassware, refrigerators, stoves | 21,735 | 0.88 | 21,736 | 0.87 | -1 |
| | Bagging, cotton factory products | 23,042 | 0.93 | 23,858 | 0.96 | -816 |
| | Sugar | 64,200 | 2.59 | 60,272 | 2.42 | 3,928 |
| | Candy, soap, tobacco, cigarettes | 81,297 | 3.28 | 74,076 | 2.98 | 7,221 |
| | Scrap iron and steel, borings, etc. | 14,002 | 0.57 | 19,867 | 0.80 | -5,865 |
| | Furnace slag | 9,808 | 0.40 | 16,834 | 0.68 | -7,026 |
| | Other manufactures and miscellaneous | 79,253 | 3.20 | 61,700 | 2.48 | 17,553 |
| | Total | 1,294,217 | 52.24 | 1,330,045 | 53.47 | -35,828 |
| | Forwarder Traffic (C. L.) | 590 | 0.02 | 77 | | 513 |
| | GRAND TOTAL, CARLOAD TRAFFIC | 2,471,563 | 99.75 | 2,479,842 | 99.70 | -8,279 |
| | All L. C. L. Freight | 6,055 | 0.25 | 7,538 | 0.30 | -1,483 |
| | GRAND TOTAL, CARLOAD AND L. C. L. TRAFFIC | 2,477,618 | 100.00 | 2,487,380 | 100.00 | -9,762 |

-Decrease

FREIGHT AND PASSENGER STATISTICS

| FREIGHT TRAFFIC | 1962 | 1961 | Increase or Decrease | |
|---|--------------|--------------|----------------------|---------|
| | | | Amount | Percent |
| 1 Number of tons carried..... | 2,447,618 | 2,487,380 | -9,762 | -0.39 |
| 2 Number of tons carried one mile..... | 184,011,341 | 178,753,051 | 5,258,290 | 2.94 |
| 3 Number of tons per mile of road (Average)..... | 27,395 | 27,503 | -108 | -0.39 |
| 4 Number of tons carried one mile per mile of road..... | 2,034,623 | 1,976,482 | 58,141 | 2.94 |
| 5 Number of tons in each train (Average)..... | 919.34 | 936.87 | -17.53 | -1.87 |
| 6 Number of tons in each loaded car (Average)..... | 26.23 | 25.90 | 0.33 | 1.27 |
| 7 Average distance one ton carried (Miles)..... | 74.27 | 71.86 | 2.41 | 3.35 |
| 8 Revenue per ton per mile..... | \$ 0.01433 | \$ 0.01522 | \$ -0.00089 | -5.85 |
| 9 Revenue per mile of road..... | 29,156.82 | 30,079.89 | -923.07 | -3.07 |
| 10 Revenue per freight train mile..... | 18.32 | 19.00 | -0.68 | -3.58 |
| 11 Revenue per freight car mile—Loads..... | 0.52255 | 0.52530 | -0.00275 | -0.52 |
| 12 Revenue per freight car mile—Total..... | 0.34154 | 0.33601 | 0.00553 | 1.65 |
| 13 Revenue per ton..... | 1.06 | 1.09 | -0.03 | -2.75 |
| PASSENGER TRAFFIC | | | | |
| 1 Number of passengers carried..... | 96,329 | 101,123 | -4,794 | -4.74 |
| 2 Number of passengers carried one mile..... | 8,150,474 | 8,467,122 | -316,648 | -3.74 |
| 3 Number of passengers per mile of road (Average)..... | 1,119 | 1,175 | -56 | -4.77 |
| 4 Number of pass. carried one mile per mile of road..... | 94,685 | 98,363 | -3,678 | -3.74 |
| 5 Number of passengers in each train (Average)..... | 67 | 70 | -3 | -4.29 |
| 6 Number of passengers in each car (Average)..... | 13 | 14 | -1 | -7.14 |
| 7 Average distance each passenger (Miles)..... | 84.61 | 83.73 | 0.88 | 1.05 |
| 8 †Passenger service train revenue per mile of road..... | \$ 6,867.58 | \$ 7,220.68 | \$ -353.10 | -4.89 |
| 9 †Passenger service train revenue per pass. train mile..... | 4.78 | 5.07 | -0.29 | -5.72 |
| 10 †Passenger service train revenue per pass. car mile..... | 0.47824 | 0.48533 | -0.00709 | -1.46 |
| 11 *Revenue per passenger per mile..... | 0.03164 | 0.02925 | 0.00239 | 8.17 |
| 12 *Revenue per passenger..... | 2.68 | 2.45 | 0.23 | 9.39 |
| ALL TRAFFIC | | | | |
| Railway operating revenues per mile of road..... | \$ 36,590.19 | \$ 37,875.10 | \$ -1,284.91 | -3.39 |
| Railway operating revenues per revenue train mile..... | 12.76 | 13.29 | -0.53 | -3.99 |
| Railway operating expenses per mile of road..... | \$ 32,354.15 | \$ 31,982.36 | \$ 371.79 | 1.16 |
| Railway operating expenses per revenue train mile..... | 11.28 | 11.23 | 0.05 | 0.45 |
| Per cent of railway operating expenses to oper. revenue... | 88.42 | 84.44 | 3.98 | 4.71 |
| Net revenue per mile of road..... | \$ 4,236.04 | \$ 5,892.73 | \$ -1,656.69 | -28.11 |
| Net revenue per revenue train mile..... | 1.48 | 2.07 | -0.59 | -28.50 |
| Per cent of net revenue to total revenue..... | 11.58 | 15.56 | -3.98 | -25.58 |
| Railway operating expenses and taxes per mile of road..... | \$ 34,471.03 | \$ 34,040.31 | \$ 430.72 | 1.27 |
| Railway operating expenses and taxes per rev. train mile..... | 12.02 | 11.95 | 0.07 | 0.59 |
| Per cent of operating expenses and taxes to total revenues | 94.21 | 89.88 | 4.33 | 4.82 |

* Revenue excludes mail, express, excess baggage, and other passenger-train.

† Revenue includes mail, express, excess baggage, and other passenger-train.

—Decrease.

TRAIN, LOCOMOTIVE AND CAR MILES

| CLASS | | 1962 | 1961 | Increase or Decrease |
|--|--|-----------|-----------|----------------------------|
| TRAIN MILES | | | | |
| 801 | Freight..... | 143,965 | 143,155 | 810 |
| 802 | Passenger..... | 123,565 | 122,691 | 874 |
| Total Revenue Service Train Miles..... | | 267,530 | 265,846 | 1,684 |
| 805 | Non-Revenue Service Train Miles..... | 1,453 | 3,467 | -2,014 |
| TOTAL TRAIN MILES..... | | 268,983 | 269,313 | -330 |
| LOCOMOTIVE MILES | | | | |
| 811 | Freight—Principal..... | 143,965 | 143,155 | 810 |
| | Freight—Trailing Units..... | 195,318 | 213,630 | -18,312 |
| 812 | Passenger—Principal..... | 123,565 | 122,691 | 874 |
| | Passenger—Trailing Units..... | 165,239 | 152,968 | 12,271 |
| | Passenger—Light..... | 10,125 | 9,630 | 495 |
| 815 | Switching—Train..... | 39,449 | 53,879 | -14,430 |
| 816 | Switching—Yard—Freight..... | 25,704 | 21,000 | 4,704 |
| Total Revenue Locomotive Miles..... | | 703,365 | 716,953 | -13,588 |
| 817 | Non-Revenue Locomotive Miles..... | 1,453 | 3,467 | -2,014 |
| TOTAL LOCOMOTIVE MILES..... | | 704,818 | 720,420 | -15,602 |
| FREIGHT CAR MILES | | | | |
| 821 | Freight Loaded..... | 5,046,316 | 5,178,794 | -132,478 |
| | Freight Empty..... | 2,532,652 | 2,776,866 | -244,214 |
| | System Caboose..... | 140,505 | 139,915 | 590 |
| | Freight Car Miles in Passenger Trains..... | 1,175 | 632 | 543 |
| Total Freight Car Miles..... | | 7,720,648 | 8,096,207 | -375,559 |
| PASSENGER CAR MILES | | | | |
| 822 | Passenger Coaches..... | 265,480 | 271,514 | -6,034 |
| | Sleeping and Parlor Cars..... | 343,117 | 336,783 | 6,334 |
| | Club, Lounge, Dining and Observation..... | 61,218 | 62,385 | -1,167 |
| | Business..... | 2,565 | 2,905 | -340 |
| | Mail, Express and Baggage..... | 552,738 | 599,949 | -47,211 |
| | Combination Passenger and Baggage..... | 941 | 684 | 257 |
| | Passenger Car Miles in Freight Trains..... | 10,051 | 6,480 | 3,571 |
| Total Passenger Car Miles..... | | 1,236,110 | 1,280,700 | -44,590 |
| Total Revenue Car Miles..... | | 8,956,758 | 9,376,907 | -420,149 |
| 825 | Non-Revenue Service Car Miles..... | 6,422 | 9,702 | -3,280 |
| TOTAL CAR MILES..... | | 8,963,180 | 9,386,609 | -423,429 |

—Decrease

PROPERTIES—ROAD AND EQUIPMENT

| | Total | Road | Equipment | General Expenditures |
|--|---------------|--------------|--------------|----------------------|
| Balance, January 1, 1962..... | \$ 10,463,589 | \$ 5,474,892 | \$ 4,874,359 | \$ 114,338 |
| Additions..... | 146,363 | 126,524 | 19,839 | |
| Total..... | 10,609,952 | 5,601,416 | 4,894,198 | 114,338 |
| Retirements..... | 109,190 | 86,723 | 22,318 | 149 |
| Investment in transportation property..... | \$ 10,500,762 | \$ 5,514,693 | \$ 4,871,880 | \$ 114,189 |

Principal additions to property consisted of the following:

ROAD:

| | |
|--|-----------|
| Extend lead Track #250, College Park, Ga..... | \$ 7,216 |
| Drainage for lead Track #255, College Park, Ga..... | 7,804 |
| Construction of Industrial lead Track #276, College Park, Ga..... | 12,195 |
| Increased weight of rail and track fastenings..... | 24,913 |
| Proportionate cost of Spring Street underpass, East Point, Ga..... | 9,142 |
| Purchase of Gradall machine..... | 35,575 |
| Total..... | \$ 96,845 |

INVESTMENT IN ROAD, EQUIPMENT AND GENERAL FOR YEAR ENDED DECEMBER 31, 1962

| ROAD | Additions | Retirements | Net Total |
|--|---------------|---------------|--------------|
| 1 Engineering..... | | \$ 50.00 | \$ —50.00 |
| 2 Land for transportation purposes..... | \$ 1,392.75 | 40,935.32 | —39,542.57 |
| 3 Grading..... | 1,759.18 | 11,375.15 | —9,615.97 |
| 6 Bridges, trestles and culverts..... | 15,866.48 | 1,882.30 | 13,984.18 |
| 8 Ties..... | 8,888.47 | 6,673.29 | 2,215.18 |
| 9 Rails..... | 14,634.24 | 3,789.06 | 10,845.18 |
| 10 Other track material..... | 23,550.49 | 3,753.79 | 19,796.70 |
| 11 Ballast..... | 3,226.32 | 721.12 | 2,505.20 |
| 12 Track laying and surfacing..... | 5,438.97 | 4,759.88 | 679.09 |
| 16 Station and office buildings..... | 1,077.71 | 10,123.17 | —9,045.46 |
| 17 Roadway buildings..... | | 1,504.96 | —1,504.96 |
| 26 Communication systems..... | 1,021.64 | | 1,021.64 |
| 27 Signals and interlockers..... | 2,560.85 | 1,131.27 | 1,429.58 |
| 37 Roadway machines..... | 36,691.02 | | 36,691.02 |
| 39 Public improvements—construction..... | 10,415.68 | 23.11 | 10,392.57 |
| Total expenditures for road..... | 126,523.80 | 86,722.42 | 39,801.38 |
| EQUIPMENT | | | |
| 52 Other locomotives..... | 4,546.02 | | 4,546.02 |
| 53 Freight-train cars..... | | 8,984.47 | —8,984.47 |
| 54 Passenger-train cars..... | | 13,333.74 | —13,333.74 |
| 57 Work equipment..... | 13,259.10 | | 13,259.10 |
| 58 Miscellaneous equipment..... | 2,034.09 | | 2,034.09 |
| Total expenditures for equipment..... | 19,839.21 | 22,318.21 | —2,479.00 |
| GENERAL | | | |
| Miscellaneous..... | | 148.98 | —148.98 |
| Total..... | \$ 146,363.01 | \$ 109,189.61 | \$ 37,173.40 |

—Decrease

EQUIPMENT

| | Locomotives | Freight-Train Cars | Passenger-Train Cars | Work Equipment |
|--------------------------------|-------------|-----------------------|-------------------------|-------------------|
| On hand January 1, 1962..... | 11 | 578 | 20 | 23½ |
| Acquired..... | — | — | — | 6 |
| Withdrawn from service..... | — | 5 | 1 | — |
| On hand December 31, 1962..... | 11 | 573 | 19 | 29½ |

The following table shows the equipment on hand at the close of the past ten years:

| | 1953 | 1954 | 1955 | 1956 | 1957 | 1958 | 1959 | 1960 | 1961 | 1962 |
|---------------------------|------|------|------|------|------|------|------|------|------|------|
| Locomotives: | | | | | | | | | | |
| Steam..... | 9 | | | | | | | | | |
| Diesel-Electric: | | | | | | | | | | |
| Freight "A" Units..... | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Freight or Passenger..... | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 6 | 6 |
| Switching..... | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Freight-Train Cars..... | 564 | 539 | 543 | 569 | 562 | 555 | 552 | 581 | 578 | 573 |
| Passenger-Train Cars..... | 30 | 30 | 30 | 25 | 25 | 24 | 23 | 22 | 20 | 19 |
| Work Equipment*..... | 16½ | 16½ | 16½ | 20½ | 19½ | 20½ | 21½ | 23½ | 23½ | 29½ |

* Includes one-half interest in Office Car 100.

EQUIPMENT OBLIGATIONS, DECEMBER 31, 1962

| Description and Date | Amount | Unpaid Dec. 31, 1962 | Instalments Payable | Interest Rate Percent | Final Payment Due or Paid | Matured or Paid During Year 1962 |
|------------------------------|-----------------|-------------------------|------------------------|-----------------------------|---------------------------------|--|
| Conditional Sale Agreements: | | | | | | |
| December 16, 1950..... | \$ 513,000.00 | \$ 79,762.00 | Monthly | 2.85 | Mar. 1, 1966 | \$ 25,188.00 |
| April 1, 1952..... | 413,100.00 | 127,194.00 | Monthly | 3.00 | Oct. 19, 1967 | 26,316.00 |
| October 1, 1952..... | 151,800.00 | 50,600.00 | Quarterly | 3.25 | Nov. 1, 1967 | 10,120.00 |
| September 1, 1955..... | 87,360.00 | 29,120.00 | Monthly | 3.25 | May 1, 1966 | 8,736.00 |
| February 15, 1956..... | 220,823.79 | 123,826.89 | Monthly | 3.35 | July 1, 1971 | 14,921.28 |
| February 15, 1956..... | 242,601.15 | 133,424.28 | Monthly | 3.35 | Apr. 1, 1971 | 16,172.64 |
| October 11, 1960..... | 248,400.00 | 215,280.00 | Quarterly | 4.50 | Jan. 1, 1976 | 16,560.00 |
| Total..... | \$ 1,877,084.94 | \$ 759,207.17 | | | | \$ 118,013.92 |









